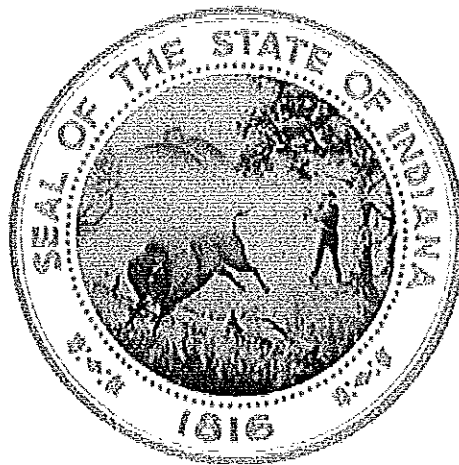


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT
OF
STATE BOARD OF ACCOUNTS
STATE OF INDIANA
July 1, 2006 to March 31, 2012



FILED
07/20/2012

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AGENCY OFFICIAL

Office

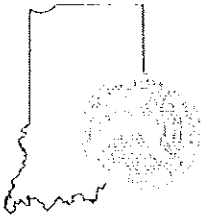
State Examiner

Official

Bruce A. Hartman

Term

10-07-05 to 01-13-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BOARD OF ACCOUNTS

We have reviewed the activities related to the receipts, disbursements, and assets of the State Board of Accounts for the period of July 1, 2006 to March 31, 2012. The State Board of Accounts' management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports. Federal programs are included in the scope of our statewide single audits as reflected in the Statewide Single Audit Reports.

Based on our review, nothing came to our attention that caused us to believe that the activities related to the receipts, disbursements, and assets of the State Board of Accounts are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, and applicable laws and regulations except as stated in the review comment.

The State Board of Accounts' response to the Review Comment identified in our review is described in the accompanying section of the report entitled Official Response. We did not review the State Board of Accounts' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the State Board of Accounts' management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office reviewed.

STATE BOARD OF ACCOUNTS

May 15, 2012

STATE BOARD OF ACCOUNTS
REVIEW COMMENT
March 31, 2012

AGED ACCOUNTS RECEIVABLE

As stated in our prior three reports, most recently Report B29278, the agency had not implemented a formal billing and collection policy for audit costs that are over 120 days outstanding. A formal billing and collection policy for audit costs over 120 days outstanding was presented after our review period ended.

At March 31, 2012, \$610,856 of the \$969,629 in receivable balances were over 120 days old. This is an increase of 8.85 percent over the previous review period.

Each agency, department, quasi, institution or office should have internal controls in effect to provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Organizational Overview, Summary of Agency Accounting Responsibilities)

STATE BOARD OF ACCOUNTS
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2012, with Bruce A. Hartman, State Examiner, and Mike Bozyski, Deputy State Examiner. The Official Response has been made a part of this report and may be found on page 6.



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MEMORANDUM

Date: June 20, 2012
To: Dan Heilman
Field Examiner
From: Bruce Hartman, CPA
State Examiner
Re: Audit Response

We appreciate the recommendation you have made from your review and have provided our official response as follows:

AGED ACCOUNTS RECEIVABLE

As your comment mentions, we have recently developed a formal billing and collection policy. We are in the process of implementing this policy to address our accounts receivable balances, especially those that are over 120 days outstanding.

We appreciate the professionalism you exhibited during the review and take satisfaction that four of the five comments mentioned in our prior report were adequately addressed.